

Impact of the Development of Farmhouses on the land Aspects: A Case Study of Peri Urban Space of National Capital Territory of Delhi

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Abstract

Farmhouses occupy about 3500 hectares of agricultural land in the national capital territory of Delhi. This is a symptom of neo-urbanism. These are owed by the elites of Delhi. The sale of land by local communities to people from outside their villages has brought profound changes in the size of land holdings, spatial shifts in agricultural practices and changes in land values. The present paper is based on field survey conducted in 1996, of sample households in proportion to the number of farmhouses in each village.

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Conceptualisation

Farmhouses owned by people from the main city, occupy large agricultural area in the peri urban space of Delhi. This change in land use is expected to influence the ecological relationship and also alter the socio economic

activities that were performed earlier. The scope of the paper is restricted to the sale of land and its impact on local communities. In this context it is expected that development of farmhouses may lead to increase in land values in its surroundings. The farmers who withheld a part of their agricultural land will be benefited as land can be sold at exorbitant rates at a later stage. Farmers who have disposed off their land, had to invest sizeable amounts on the repurchase of agricultural land elsewhere. This creates spatial shifts in agricultural activities due to fragmentation of land-holdings. Construction of farmhouses is not properly regulated and most houses have developed in a haphazard manner, encroaching on common property resources (CPR,s) located in between the boundaries of farmhouses. This has created social tensions between the rural-urban communities.

Studies on Land Value and Land Speculation

A number of studies on land values and land speculation, affected by the development of farmhouses have been carried out in various parts of the world. In Ontario, Wolfe, (1977), evaluates the land values in different years. Rancich (1970) has studied changes in land values for vacant and/or agricultural land, situated in the path of urban expansion. Although accessibility and clustering of uses is the major determinant of land values, the value of vacant land, depends on the timing of development, and rezoning policy of the government. Seyfried (1970), says that land values are affected by external costs i.e. transportation and agglomeration of activities. He has studied land values with the help of an index of centralization. Goldberg (1970) also expresses similar views. Clonits (1970) correlates the rise in real property values with the growth of the metropolitan region. Gerking, (1979), Boschken (1975), Knetsch (1964), Northumberland County Council (1971) are the other notable studies.

Data Base and Methodology

The present study is based on primary survey of the local communities and the area impacted by the development of farm-houses. There are about 2,000 farmhouses in NCT of Delhi (Satyaparkash, 2004), widely distributed in 25 villages, in South, Southwest and the Northwest parts of the study area. The sample households from different villages affected by the farmhouse phenomenon were selected in proportion to the number of farmhouses in a village, though within a village, samples were drawn randomly.

Discussion

Farmhouses occupy a significant area of rural Delhi. Presently, about 20 percent of the village area (of sample villages) is occupied by farmhouses. The illegal encroachment on agriculture land is extensive and constitutes about one-third of the agricultural area in the villages. In the South about 60 percent of the agricultural area is already under farmhouses which includes the villages of Mehrauli block, situated between Andheria crossing

Table 1: Proportion of land sold according to the size of landholdings

(Percent of HH)

| % of land sold to total land | Size of landholdings | | | |
|------------------------------|----------------------|-------|-------|-------|
| | < 5 | 5-10 | 10-20 | >20 |
| <25 | 2.56 | 3.44 | 7.6 | 30.76 |
| 25-50 | 5.12 | 24.13 | 15.38 | 15.38 |
| 50-75 | 5.12 | 20.69 | 7.60 | 0.00 |
| 75-100 | 87.17 | 51.72 | 69.23 | 53.86 |

Source: Field survey, 1996

and Bhatti mines. Because of the early start of the growth process of farmhouses and its strategic location near the urban built up areas of South Delhi. This area has a larger area under farmhouses. Here the farmers sold their agricultural land when the process of farmhouse growth was in its incipient stage, in the early 1960s. At that time the price of agricultural land was very low and cultivation was also not very remunerative. Moreover, whatever money these people received from the sale of agricultural land was fettered away in unproductive activities. According to the respondents, only about 20 percent of the people have effectively reinvested their money. About 80 percent have just wasted the proceeds on alcohol consumption or on new ventures, which failed miserably.

Small farmers as revealed by table 1 have the propensity to sell land in one stroke, while the medium and large farmers tend to withhold a part of it for sale in future when land values rise. Table 2, further reiterates that farmers did sell a large proportion of their land in the early stage of farmhouse development process. Land values increased substantially after 1980s owing to a spurt in demand for farmhouses. After the 1980s, the trend was

to sell small parcels of land, rather than in one stroke hoping that land values will increase with further demand. In the Northwest and Southwest regions, the process of farmhouses further started later, therefore incidences of sale of agricultural land are few. The people of these areas became aware of the bitter experience of their counterparts in the South. Therefore, instead of disposing off their entire land at one time, they withheld a part of their agricultural land and used the money wisely by investing in agricultural land, in the adjoining areas of Gurgaon, Faridabad, Sonapat, Rohtak and Rewari districts of Haryana.

Utilization of Money Received from the Sale of Land by Local Communities

The local people have made use of money received from the sale of land in number of ways. The main investment was on land, shift in occupation and house renovation on construction. The money spent on wasteful activities seems to be under reported. The impression gathered during the survey in most villages was that many of the families were ruined because of consumption of alcohol

Table 2: Proportion of land sold to total landholdings in different years

(Percent of HH)

| % of land sold to total land | Size of landholdings | | | |
|------------------------------|----------------------|---------|---------|--------|
| | ≤ 1970 | 1971-80 | 1981-90 | > 1990 |
| <25 | 16.66 | 0.00 | 10.00 | 8.33 |
| 25-50 | 0.00 | 8.69 | 24.00 | 33.33 |
| 50-75 | 16.66 | 8.69 | 16.00 | 8.33 |
| 75-100 | 66.66 | 82.60 | 50.00 | 50.00 |

Source: Field survey, 1996

and other bad habits. Most of the money received from the sale of land went down the drain. While the majority of those who invested in nonagricultural occupations, failed miserably in their new business ventures because of their chronic addiction to alcohol. The amount spent under various heads is shown in Table 3, is illustrative of the phenomenon. More than one-third of the amount is spent on alcohol, a fairly good amount is spent on purchase of land (17%). Investment on house renovation and new occupations accounts far about 7 to 9 percent of the total money. In the Northwest and the Southwest regions, investment in land is more as also on alcohol which is the most important head of expenditure in the South Region (Table 3).

Spatial Shift in Agricultural Activities

Local communities have reinvested a substantial part of money on repurchase of agricultural land elsewhere. Most of the land outside Delhi has been purchased in adjoining districts of Haryana like Faridabad, Gurgaon, Rohtak, Sonapat and Panipat. Apart from this, some land has also been purchased within

Delhi, either in the same village or in other nearby villages, where the land prices were relatively low. Surprisingly, the households who have sold their land at their parent village have purchased more land elsewhere. This is mainly because of comparatively lower prices of land in Haryana. Moreover, these people were traditionally doing agriculture for generations and hence it was a wise step to invest in land than any other activity about which they have no knowledge. The chances of success seemed greater in the same profession. These people introduced a new concept of farming called suitcase farming, an old established practice in the U.S.A., in the adjoining districts of Haryana. The households who have purchased land in parts of Haryana live at their parent village in Delhi, while the adult members of the family commute to their agricultural fields in Haryana at the time of agricultural operations like sowing and harvesting of crops. In most cases hired workers from Haryana, U.P. or Bihar work on the farm operations. Generally, workers from Bihar and Uttar Pradesh are preferred as they stay permanently on the farms and are prepared to work for low

Table 3: Utilization of money from sale of land

Percent Expenditure

| Region | Land | Housing | Marriage | New Occupations | Wastage | Others |
|--------------|--------------|-------------|-------------|-----------------|--------------|--------------|
| Northwest | 21.11 | 4.26 | 0.50 | 5.92 | 16.06 | 52.15 |
| Southwest | 30.59 | 11.36 | 7.26 | 22.25 | 4.24 | 24.30 |
| South | 13.90 | 7.17 | 1.82 | 7.17 | 46.24 | 23.62 |
| Total | 17.46 | 7.76 | 2.74 | 9.93 | 36.30 | 25.81 |

Source: Field Survey, 1996.

wages, for long hours in comparison to local labour. Ironically, they discriminate against the local workers for the same reasons which the farmhouse owners did to them at their original village. The land owners or their family members, mainly adults, visits their farm regularly for supervision. The majority of the respondents stated that they were earning more from agriculture in Haryana than what they did in Delhi prior to the sale of land at their original village. This is because of fertile soils and better-inputs and facilities of canal irrigation.

Location of Repurchased Agricultural Land

The local people have generally purchased land near their own village. The households who belonged to the Southern region preferred to buy land in Faridabad-Balabgarh-Palwal belt, while those from the Southwest region preferred Gurgaon-Rewari and Rohtak Bahadurgarh belt. The main prefer-

ence of the local people for this (site specific purchase of land) are: one, distance from the parent village and secondly, the cultural kinship ties, common characteristics and knowledge of the area. For example, people from the Southern region, mostly belong to the Gujjar community, which is widely distributed in the Faridabad Balabgarh-Palwal belt (Table 4).

Due to cultural similarities and social relations with the people of this area, it becomes easier to purchase land and they also feel secure in making large investments. Similarly, the people of the Southwest preferred Gurgaon-Rewari belt and Rohtak-Bahadurgarh belt where they have social relations and cultural affinities. For the same reasons people from the Northwest region preferred the Sonipat and Panipat districts. The respondents also mentioned that households who re-invested money in the purchase of agricultural land are now relatively well off. This is mainly because of their familiarity with their traditional occupations.

Table 4: Location of repurchased land

| Region | Site/Belt | | | | | | Total |
|--------------|--------------|--------------|-------------|--------------|--------------|--------------|-------|
| | Fbd-Blb | Grn-Rwr | Rtk-Bgr | Snp-Pnp | Delhi | (% HH) | |
| Northwest | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 | 33.33 | |
| Southwest | 5.88 | 47.06 | 17.65 | 0.00 | 33.33 | 60.71 | |
| South | 87.50 | 0.00 | 0.00 | 0.00 | 12.50 | 29.09 | |
| Total | 40.54 | 21.62 | 8.11 | 10.81 | 18.92 | 38.95 | |

Source: Field Survey, 1996

Note: a) Fbd-Blb : Faridabad-Balabgarh b) Grn-Rwr : Gurgaon-Rewari

c) Rtk-Bgr : Rohtak-Bahadurgarh d) Snp-Pnp : Sonipat-Panipat

Impact of farmhouses on Land Values in the Surrounding Villages

Information on land values of farmhouses at different periods is based on interviews of the local people, farmhouse community and property advisors. Land values depict significant changes in the villages affected by the growth of farmhouses. It is largely due to investments by the neo-rich Delhi ties in the speculative land market. Growth of farmhouses has created a hunger for land. This process directly affects at least 25 to 30 villages in the urban fringe. The reasons for this demand are: one, it's a good investment in the speculative market which ensures huge profits in the future; secondly, it's an easy way to convert a part of the unaccounted wealth into white money, there being no tax on agriculture; and thirdly, it can always be used as a pleasant retreat. Combinations of these factors have

fuelled the land prices in the selected villages of NCT of Delhi.

In all the selected villages, agriculture was the main pursuit before the advent of this phenomenon. Earlier, productivity of land was the main factor, affecting land values; quality of land, as well as availability of water for irrigation figures prominently in the high land prices in Northwest and Southwest regions. The South region is largely an undulating hilly terrain, rocky with poor irrigation facilities, which adversely affects productivity. But the entire scenario took a sharp turn in the early 1980s, with the growth of farmhouses which had reached the take off stage during this period. Thereafter, with the development of farmhouses, land values jumped to a new high. Soon the spill over effect of the growth of farmhouse engulfed many nearby villages. In the early 1980s, its im-

Table 5: Land Values in Selected Villages of Delhi (Rs. Lakh /Acre)

| Village/Year | 1975 | 1980 | 1985 | 1990 | 1996 |
|---------------|------|------|------|-------|-------|
| Bakhtawarpur | 0.30 | 0.50 | 2.00 | 6.00 | 12.00 |
| H. Khurd | 0.15 | 0.45 | 1.00 | 2.00 | 14.00 |
| H.Kalan | 0.25 | 1.00 | 1.25 | 1.75 | 17.00 |
| Kanzhawala | 0.30 | 2.00 | 3.50 | 6.00 | 18.00 |
| Kapashera | 0.20 | 1.00 | 2.00 | 10.00 | 70.00 |
| Bijwasan | 0.18 | 0.50 | 1.00 | 6.00 | 70.00 |
| Chawala | 0.15 | 0.40 | 0.50 | 5.00 | 50.00 |
| Rangpuri | 0.20 | 0.40 | 0.65 | 1.50 | 50.00 |
| Ghittomi | 0.10 | 0.50 | 3.00 | 25.00 | 90.00 |
| Jaunapur | 0.10 | 0.40 | 1.50 | 30.00 | 50.00 |
| Chattarpur | 0.10 | 1.25 | 4.00 | 35.00 | 90.00 |
| Fatehpur Beri | 0.10 | 1.00 | 1.20 | 6.00 | 70.00 |

Source: Field Survey, 1996

fact was felt in the Southwest and the Northwest regions also. After 1985, increase in number of farmhouses further inflated land values in these regions though not as much as those experienced by the villages of the South. Nevertheless, there is many fold increase in the land values in most of the villages affected by the farmhouse phenomenon. Interestingly, there are specific locations which command premium land values in each region. For example, in the South region, maximum land values are found in the villages of Chhattarpur and Ghittorni. These villages are situated at prime locations on the Mehraulli-Gurgaon road near 'Andheria Crossing'. Away from these villages, land values decline with increasing distance. Similarly, in the Southwest region, Bijwasan Kapashera-Rajokri villages are the main centres of farmhouse growth. Maximum land values are also found in these villages. Away from these villages on Bijwasan-Nazafgarh road, land values decline with increase in distance. Similarly, in the Northwest region, Bakhtawarpur, Holambi Kalan and Holambi Khurd villages are the main centres of farmhouse growth. Land values are also maximum in these villages (Table 5).

The relationship between distance and land values has been measured with the help of Spearman's rank co-relation. The results show that there is high degree of negative correlation between distance and the land values (-0.94). This also confirms the research hypothesis that land values decline with increase in distance from the urban agglomeration. The Northwest and the Southwest regions show high degree of negative correlation of $r = -0.87$ and $r = -1.00$, respectively. There is almost a continuous decline in land values with increase in distance from the point of maximum land values in the Southwest and the Northwest regions. The distance is measured from the Rajokri crossing in the Southwest region and Alipur in the Northwest region. The high degree of negative co-relation between these variables is mainly because farmhouses have developed mostly in a linear pattern along Bakhtawarpur-Narela road in the Northwest region and Rajokri-Nazafgarh road in the Southwest.

Table 6 : Distance and Land Values

(Lakhs Rs /Acre)

| Regions/Distance from U.A. (Kms.) | <2 | 2-4 | 4-6 | 6-8 | 8-10 | >10 |
|-----------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Northwest | 15.00 | 10.00 | 7.50 | 8.00 | 7.50 | 7.00 |
| Southwest | 80.00 | 50.00 | 35.00 | 30.00 | 15.00 | 10.00 |
| South | 150.00 | 100.00 | 60.00 | 80.00 | 60.00 | 50.00 |
| Total | 81.66 | 53.33 | 34.16 | 39.33 | 27.5 | 22.33 |

Source: Field Survey, 1996.

Encroachment of 'Gram Sabha' Land (CPRs)

In rural Delhi, a lot of land is under common property resources (CPRs) in each village. It is generally used for development of public utilities, reservoir, which is locally called 'JOHAR', grasslands and trees and other vegetation for collecting fuel woods and other needs. The quality of such land is generally poor to average. In South Delhi, most of the land is under undulating hilly terrain. In the absence of proper irrigation facilities, the land is unfit for agriculture and is covered by natural vegetation which provides fodder and fuel to the local communities. This land is under the control of gram sabha. But in the last few years, especially after the development of farmhouses on rural land, the pressure on land has increased which led to sudden escalation of land values.

Consequently, land grabbing by mafia has established its roots in the area and the gram sabha lands changed hands, illegally and in connivance with the members of gram sabha, *patwari*, officials of tehsils, police and other influential persons of the area. The incidences of land grabbing are now a common phenomenon in the villages affected by the farmhouse process. The local people interviewed provided information about the nexus among the influential persons mentioned above. Generally, people from outside who owned farmhouses encroached on the adjoining gram sabha land. They have developed farmhouses on such lands. In some cases land has been sold to these people at throw away prices. In some cases influential persons in the area have divided the land among themselves. When the local people were asked why they had not registered complaints against such persons, they said that

cases were pending in the court, but the sad part of the story is that in many cases, complainants were given threats and even beaten up by the police. Incidences of land grabbing are highest in the South region where the pressure on land is more. About 22% of the total CPR's are encroached by these people. The worst affected villages are Jonapur(31%), Gadaipur(100%) Mandi (45%), Dera(72%), Chhattarpur (100%). Kishangarh, Ghittorni, Asola and Bhatti are the other affected villages. The local people due to some fear psychosis are unwilling to provide information, like in the case of Asola and Bhatti. But they mentioned that incidences of land grabbing were more rampant in these villages. Moreover, a part of the land under unspecified uses has also been a part of the land grabbing menace in many villages such as Holambi Khurd, Rangpuri, Rajokri, Kapashera, Bijwasan and Kishangarh. Though people did give information about large-scale land grabbing, they were reluctant to provide details about the quantity of such lands. However, in Rangpuri, the DDA demolished many of the farmhouses, which were developed on gram sabha land. The demolished structured were seen at the time the researcher visited the village for field survey. Some of the confiscated land has been allotted to the scheduled castes and other depressed and poor families. The government has also acquired a large share of 'Gram Sabha' land for the development of public utilities such as educational institutions, water supply tanks, banks, post offices and the like.

Conclusion

The growth of farmhouse culture in the NCT of Delhi has brought about profound changes

in the socio-economic and spatial organization of the local communities, living in the vicinity of the farmhouse clusters. Now the two communities of entirely different social and economic background are living side by side. Rural Folks are largely dependent on agriculture whose characteristics have changed after the sale of land for farmhouses. The size of land holdings has declined greatly and dependency on agriculture has been reduced considerably. Many people have purchased agricultural land in the adjoining parts of Haryana. Most of the agricultural operations are carried out by migrant labour. The owners supervise the agricultural operations from their parent villages and a kind of suitcase farming has developed in the area. There is a significant shift to non agricultural occupations. Some people have invested in businesses like transport, shop while a part of the money received from the sale of land is also used for the renewal of their homes and improvement of household amenities and consumption goods.

Apparently those people who invested the money wisely are in a better position economically. But this constitutes only a thin minority who sold their land at their native village and subsequently repurchased agricultural land in the adjoining areas of Haryana. Most of the people purchased land in those parts of Haryana, which are close to their parent village and are culturally similar.

In the overall analysis all the persons from the sample villages benefited from increase in land values which largely reflect the distance decay function. Problem of illegal transfer of CRPs is going on with the connivance of officials and those in power.

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